

## Assembly Bill No. 2964

### CHAPTER 464

An act relating to the Hunters Point Shipyard.

[Approved by Governor September 11, 2002. Filed  
with Secretary of State September 11, 2002.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 2964, Shelley. Hunters Point Shipyard Conversion Act of 2002.

(1) Existing law contains provisions governing military base closures.

This bill would grant to, and vest in, the San Francisco Redevelopment Agency, all of the state's right, title, and interest in the Hunters Point trust lands, and, upon conveyance by the federal government to the agency, in appurtenances located on Hunters Point submerged lands, subject to the public trust and the terms and conditions of this bill. The bill would authorize the agency to use, conduct, operate, maintain, manage, administer, regulate, improve, lease, and control the Hunters Point trust lands in conformance with this bill and the public trust. The bill would authorize the agency to grant franchises, permits, privileges, licenses, easements, or leasehold interests in connection with the Hunters Point trust lands, or any part thereof, for a term not exceeding 66 years.

The bill would require the agency to deposit all moneys collected by the agency arising out of the use or operation of any of the Hunters Point trust lands into a special fund maintained by the agency. The bill would require the agency to prepare an annual statement of financial conditions and operations and to submit the statement to the State Lands Commission each year on or before October 1, thereby imposing a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

*The people of the State of California do enact as follows:*

SECTION 1. This act shall be known, and may be cited, as the Hunters Point Shipyard Conversion Act of 2002.

SEC. 2. The following definitions apply for purposes of this act:

- (a) “Agency” means the San Francisco Redevelopment Agency.
- (b) “Burton Act” means Chapter 1333 of the Statutes of 1968, as amended.
- (c) “City” means the City and County of San Francisco.
- (d) “Public trust” or “trust” means the public trust for commerce, navigation, and fisheries.
- (e) “Redevelopment area” means the project area as described in the redevelopment plan, consisting of the Hunters Point Shipyard and the Hunters Point submerged lands.
- (f) “Redevelopment plan” means the Hunters Point Shipyard Redevelopment Plan adopted by the agency pursuant to Chapter 4.5 (commencing with Section 33492) of Part 1 of Division 24 of the Health and Safety Code.
- (g) “Hunters Point trust lands” means all lands, including tide and submerged lands, within the redevelopment area that presently, or upon conveyance out of federal ownership, are subject to the public trust.
- (h) “Hunters Point Shipyard” or “Shipyard” means all that real property situate in the City and County of San Francisco, State of California, and depicted on that certain Record of Survey entitled “Hunters Point Shipyard,” filed October 3, 2000, in Book Z of Maps at Pages 135-147, inclusive, Official Records of said County, described as follows:

Beginning at a point on the boundary of said Shipyard, said point being the intersection of the northeasterly line of Palou Avenue with the southeasterly line of Arelious Walker Drive, as said northeasterly line and said southeasterly line are shown and so designated on said Record of Survey; thence along said boundary the following forty two (42) courses depicted on said Record of Survey:

  - (1) South 66°25'05" East 774.37 feet.
  - (2) South 74°08'55" East 68.77 feet.
  - (3) North 25°47'05" East 177.17 feet.
  - (4) North 65°01'12" West 377.67 feet.
  - (5) North 51°36'00" West 202.50 feet.
  - (6) North 65°32'10" West 227.49 feet.
  - (7) North 67°44'21" West 60.90 feet.
  - (8) North 69°21'38" West 156.62 feet.
  - (9) North 74°41'44" West 78.46 feet.
  - (10) North 74°20'28" West 383.85 feet to said northeasterly line of Palou Avenue.
  - (11) Along said northeasterly line North 53°20'05" West 25.88 feet to the southeasterly line of Griffith Street.

(12) Along said southeasterly line North  $36^{\circ}38'03''$  East 199.69 feet to the southeasterly extension of the southwesterly line of Oakdale Avenue.

(13) Along said extension North  $53^{\circ}19'35''$  West 33.05 feet to the former centerline of said Griffith Street.

(14) Along said former centerline North  $36^{\circ}40'25''$  East 599.49 feet to the former centerline of McKinnon Avenue.

(15) Along said former centerline South  $53^{\circ}19'35''$  East 664.03 feet to the centerline of said Arelious Walker Drive.

(16) Along said centerline North  $36^{\circ}40'25''$  East 319.20 feet to the former northeasterly line of LaSalle Avenue.

(17) Along said former northeasterly line South  $53^{\circ}19'35''$  East 632.03 feet to the northwesterly line of Earl Street and the beginning of a nontangent curve to the right having a radius of 105.00 feet, through which beginning of curve a radial line bears South  $53^{\circ}18'24''$  East.

(18) Southwesterly 69.26 feet along said curve through a central angle of  $37^{\circ}47'31''$  to a radial line of said curve which bears South  $15^{\circ}30'53''$  East

(19) Along the southerly prolongation of said radial line South  $15^{\circ}30'53''$  East 50.00 feet to the beginning of a nontangent curve to the right having a radius of 20.00 feet, through which beginning of curve a radial line bears North  $15^{\circ}30'53''$  West.

(20) Easterly 16.92 feet along said curve through a central angle of  $48^{\circ}28'06''$  to the former centerline of said Earl Street.

(21) Along said former centerline South  $36^{\circ}42'05''$  West 398.89 feet.

(22) North  $64^{\circ}13'49''$  West 22.16 feet.

(23) South  $25^{\circ}46'11''$  West 157.97 feet.

(24) South  $64^{\circ}13'49''$  East 727.86 feet.

(25) North  $25^{\circ}46'11''$  East 174.63 feet.

(26) North  $36^{\circ}38'36''$  East 889.96 feet.

(27) North  $53^{\circ}03'31''$  West 48.02 feet.

(28) North  $36^{\circ}49'35''$  East 206.88 feet to the southwest line of Innes Avenue.

(29) Along said southwest line North  $53^{\circ}19'35''$  West 641.26 feet to the centerline of said Earl Street.

(30) Along said centerline North  $36^{\circ}42'05''$  East 40.00 feet to the centerline of said Innes Avenue.

(31) Along said centerline South  $53^{\circ}19'35''$  East 32.00 feet to the southeasterly line of said Earl Street (labeled on said Record of Survey as the easterly line of said Earl Street).

(32) Along said southeasterly line and its northeasterly extension North  $36^{\circ}42'05''$  East 3,151.02 feet to the 1948 Bulkhead Line.



(33) Along said 1948 Bulkhead Line South  $35^{\circ}56'38''$  East 2,553.02 feet.

(34) South  $30^{\circ}48'41''$  West 50.70 feet to the beginning of a nontangent curve to the right having a radius of 1800.00 feet, through which beginning of curve a radial line bears North  $21^{\circ}45'47.3''$  East.

(35) Southeasterly 2727.35 feet along said curve through a central angle of  $86^{\circ}48'51.3''$ .

(36) North  $53^{\circ}17'47''$  West 453.20 feet to the 1941 Bulkhead Line.

(37) Along said 1941 Bulkhead Line South  $13^{\circ}41'06''$  West 4345.404 feet.

(38) South  $53^{\circ}17'47''$  East 235.706 feet to said 1948 Bulkhead Line.

(39) Along said 1948 Bulkhead Line South  $12^{\circ}07'46''$  West 1985.64 feet to the San Francisco/San Mateo County Line.

(40) Along said County line North  $88^{\circ}54'38''$  West 127.35 feet to the southeasterly extension of the northeasterly line of Bancroft Avenue.

(41) Along said extension North  $53^{\circ}17'47''$  West 7,483.89 feet to the southwesterly extension of said southeasterly line of Arellious Walker Drive.

(42) Along said extension and said southeasterly line North  $36^{\circ}42'13''$  East 2,800.00 feet to the point of beginning.

(i) "Hunters Point submerged lands" means all that real property situate in the City and County of San Francisco, State of California and depicted on that certain Record of Survey entitled "Hunters Point Shipyard," filed October 3, 2000, in Book Z of Maps at Pages 135-147, inclusive, Official Records of said County, and on that certain United States Army Corps of Engineers map entitled "San Francisco Bay, California, Harbor Lines, San Francisco," Drawing Number 1-4-19, Sheet 8 of 8, dated February 13, 1948, on file at the Port of San Francisco, Department of Engineering, San Francisco, described as follows:

Beginning at a point on the boundary of said Shipyard as shown on said Record of Survey, said point being the intersection of the northeasterly extension of the southeasterly line of Earl Street (labeled on said Record of Survey as the easterly line of said Earl Street) with the 1948 Bulkhead Line, as shown on said Record of Survey; thence along said northeasterly extension North  $36^{\circ}42'05''$  East 838.15 feet, more or less, to the Pierhead Line, as shown on said Record of Survey and on said United States Army Corps of Engineers map; thence along said Pierhead Line South  $35^{\circ}56'38''$  East 4627.85 feet and South  $13^{\circ}41'06''$  West 7538.62 feet, more or less, to the San Francisco/San Mateo County Line; thence along said County Line North  $88^{\circ}54'38''$  West 542.21 feet, more or less, to said 1948 Bulkhead Line and said boundary of said Shipyard; thence along said boundary the following seven (7) courses depicted on



said Record of Survey: along said 1948 Bulkhead Line North  $12^{\circ}07'46''$  East 1985.64 feet; North  $53^{\circ}17'47''$  West 235.706 feet to the 1941 Bulkhead Line; along said 1941 Bulkhead Line North  $13^{\circ}41'06''$  East 4345.404 feet; South  $53^{\circ}17'47''$  East 453.20 feet to the beginning of a nontangent curve to the left having a radius of 1800.00 feet, through which beginning of curve a radial line bears South  $71^{\circ}25'21.3''$  East; northwesterly 2727.35 feet along said curve through a central angle of  $86^{\circ}48'51.3''$ ; North  $30^{\circ}48'41''$  East 50.70 feet to said 1948 Bulkhead Line, and along said 1948 Bulkhead Line North  $35^{\circ}56'38''$  West 2553.02 feet to the point of beginning.

SEC. 3. The Legislature finds and declares the following:

(a) The purpose of this act is to delegate to the agency the responsibility of administering the public trust on trust lands within the redevelopment area following the transfer of the Hunters Point Shipyard, or portions thereof, from the United States Department of the Navy to the agency.

(b) The Hunters Point Shipyard and adjacent areas include lands that were historically tide and submerged lands subject to the public trust, as well as historic uplands that were not subject to the trust. Beginning in 1861, some of the tide and submerged lands were granted to private owners under various state statutes. Portions of those lands were subsequently filled and reclaimed. Tide and submerged lands that were not filled, as well as certain portions of the filled lands, remained subject to the public trust.

(c) In 1939, the United States began acquiring lands for purposes of constructing and operating what came to be known as the Hunters Point Shipyard. The shipyard was used primarily as a Navy industrial operation for the modification, maintenance, and repair of ships. The shipyard was closed in 1974, but continued to be used for ship docking and repair activities. Portions were also leased to several small businesses, artisans, and others.

(d) Hunters Point Shipyard was designated by the Navy for closure and potential reuse by the community pursuant to the Defense Base Closure and Realignment Act of 1990 (Public Law 101-510) and subsequent amendments thereto. The Navy has the authority under federal law to convey the property to the city or to the agency as the local reuse authority approved by the city.

(e) In 1997, the agency and the city adopted the redevelopment plan to provide for the economic development and revitalization of the Hunters Point Shipyard. The agency is responsible for administering the redevelopment plan.

(f) The Navy is presently in negotiations with the city for the transfer of the Hunters Point Shipyard, or portions thereof, to the agency.



(g) All former and existing tide and submerged lands within the redevelopment area over which the public trust has not been terminated are subject to the public trust upon their release from federal ownership. To facilitate the conversion of the Hunters Point Shipyard to productive civilian reuse while ensuring that public trust lands within the shipyard are effectively and properly managed, it is necessary to vest the authority to administer the trust in the agency because the agency is responsible for the redevelopment of the shipyard.

(h) This act grants the state's sovereign interest in the Hunters Point trust lands to the agency and establishes the agency as the trust administrator for those lands. This act advances the purposes of the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code) and the public trust, and is in the best interests of the people of this state.

SEC. 4. (a) All of the State of California's right, title, and interest, acquired by virtue of its sovereignty, in the Hunters Point trust lands, or any portion thereof, conveyed by the federal government to the agency, is granted to and vested in the agency, subject to the public trust and the terms and conditions of this act.

(b) Upon conveyance by the federal government to the agency of any piers or other appurtenances located in part on Hunters Point submerged lands, all of the State of California's right, title, and interest, acquired by virtue of its sovereignty, in the Hunters Point submerged lands are granted to and vested in the agency, subject to the public trust and the terms and conditions of this act.

(c) The Burton Act does not apply to any Hunters Point trust lands acquired by the agency. Any right, title, and interest of the city in those lands acquired by virtue of the Burton Act is transferred to the agency.

(d) The agency and its successors in interest shall hold any acquired Hunters Point trust lands in trust for the benefit of all the people of the state for purposes of commerce, navigation, and fisheries, and for other public trust purposes, subject to the terms of this act.

SEC. 5. The agency shall be the public trust administrator for any Hunters Point trust lands acquired by the agency.

SEC. 6. The agency may use, conduct, operate, maintain, manage, administer, regulate, improve, lease, and control the Hunters Point trust lands and do all things necessary in connection with that authority that conform with the terms of this act and the public trust. Except as provided in this act, the agency shall use the Hunters Point trust lands only in a manner that is consistent with, necessary and convenient for, or incidental or ancillary to, the purposes of the public trust.

SEC. 7. The agency shall not grant, convey, give, or alienate the Hunters Point trust lands, or any part thereof, to any individual, firm, or



corporation for any purpose, except as provided in this act or as otherwise provided by statute.

SEC. 8. The agency may grant franchises, permits, privileges, licenses, easements, or leasehold interests (collectively referred to as “leases”) in connection with the Hunters Point trust lands, or any part thereof, for a term not exceeding 66 years. Any leases for use of the Hunters Point trust lands must be solely for uses that are consistent with, necessary and convenient for, or incidental or ancillary to, the purposes of the public trust, except that leases may be entered into for other uses if the agency has made all of the following determinations:

(a) There is no immediate trust-related need for the property proposed to be leased.

(b) The proposed lease is of a duration of no more than five years and can be terminated in favor of trust uses as they arise.

(c) The proposed lease prohibits the construction of new structures or improvements on the subject property that, as a practical matter, could prevent or inhibit the property from being converted to any permissible trust use if necessary.

(d) The proposed use of the leased property would not interfere with commerce, navigation, fisheries, or any other existing trust uses or purposes.

SEC. 9. (a) The agency may exchange certain portions of the Hunters Point trust lands with any state agency, political subdivision, person, entity, or corporation, or the United States or any agency thereof, for other lands, if the agency determines, and the State Lands Commission adopts a resolution finding and declaring, all of the following:

(1) The portions of the Hunters Point trust lands to be exchanged have been filled and reclaimed, are cut off from access to the waters of San Francisco Bay, are no longer needed or required for the promotion of the public trust for commerce, navigation, and fisheries, and constitute a relatively small portion of the lands granted to the city.

(2) The lands to be acquired by the agency have a value equal to or greater than the value of the lands for which they are to be exchanged and are useful for the particular trust purposes authorized by this act.

(3) No substantial interference with trust uses and purposes will ensue by virtue of the exchange.

(b) Upon adoption of the resolution by the State Lands Commission, the lands conveyed by the agency shall be free from the public trust, and the lands received by the agency in exchange shall be held subject to the public trust and to the terms of this act.

(c) Exchanges made pursuant to this section are hereby found to be of statewide significance and importance. Therefore, no ordinance,





charter provision, or other provision of local law inconsistent with this section applies to the exchange.

SEC. 10. (a) The agency shall deposit all moneys collected by the agency arising out of the use or operation of any of the Hunters Point trust lands, including all revenues derived from leases or other rights to use or occupy the lands, into a special fund maintained by the agency. The agency shall use the money in or belonging to the fund only for uses and purposes consistent with the public trust and the requirements of this act.

(b) The agency shall prepare an annual statement of financial conditions and operations and submit it to the State Lands Commission each year on or before October 1. The statement shall include a statement of all revenues and expenditures related to trust lands and trust assets, including obligations incurred but not yet paid.

SEC. 11. There is reserved in the people of the State of California the right to hunt and fish in and over the waters on the Hunters Point trust lands, together with the right of convenient access to the waters over the Hunters Point trust lands for those purposes.

SEC. 12. There is excepted from the grant made in Section 4 and reserved to the State of California all subsurface mineral deposits, including oil and gas deposits, together with the right of ingress and egress on the Hunters Point trust lands for exploration, drilling and extraction of such mineral, and oil and gas deposits. The mineral rights, including the right of ingress and egress, may not be exercised in a manner that would disturb or otherwise interfere with any lease, franchise, permit, or license of, or on, the Hunters Point trust lands. However, any lease, franchise, permit, or license of the property shall contain a provision specifying at least one point from which, and the manner in which, the right of ingress or egress to the subsurface deposits may be exercised, which point or points may be outside the area of the leasehold, franchise, permit, or license, as long as the point or points are adequate to permit the rights reserved to the state to be exercised.

SEC. 13. In the management, conduct, operation, and control of the Hunters Point trust lands, or any improvements, betterments, or structures thereon, the agency shall make no discrimination in rates, tolls, or charges for any use or service in connection therewith.

SEC. 14. The State of California has the right to use, without charge, any transportation, land or storage improvements, wharves, docks, piers, slips, quays, or other improvements constructed upon the Hunters Point trust lands, for any vessel or other watercraft, aircraft, or railroad owned or operated by the State of California.





SEC. 15. (a) The state reserves the right to amend, modify, or revoke any and all rights in the Hunters Point trust lands granted to the agency under this act.

(b) No amendment or revocation, in whole or in part, of the granted rights in the Hunters Point trust lands may impair or affect the rights or obligations of third parties, including the holders of bonds or securities, lessees, lenders for value, and holders of contracts conferring the right to the use or occupation of, or the right to conduct operations upon or within, the Hunters Point trust lands, arising from leases, contracts, or other instruments lawfully entered into prior to the effective date of the amendment or revocation. For purposes of this section, the term “bonds” includes, without limitation, lease revenue bonds and other bonds, lease financing arrangements, and certificates of participation.

(c) If any lease, contract, or other instrument described in subdivision (b) is in effect on the effective date of any amendment or revocation, the state, at its option exercised by and through the State Lands Commission, may succeed to the agency’s interest in the instrument; otherwise, the agency’s interest in the instrument shall continue during the term or other period of time during which the instrument shall remain in effect. All bonds or securities issued by the agency and payable out of revenues from the Hunters Point trust lands shall continue to be so payable, directly or indirectly, and secured in all respects as provided in the proceedings for their issuance, and the revenues of the Hunters Point trust lands shall be pledged and applied to the payment of the bonds or securities in all respects as though no amendment or revocation had taken place.

SEC. 16. Upon written agreement between the agency and the San Francisco Port Commission, and approval by the State Lands Commission, the city, by and through its Port Commission, may assume authority from the agency as the trust administrator over some or all of the Hunters Point trust lands. The city shall hold and administer those lands in accordance with the requirements of the public trust and the Burton Act.

SEC. 17. The following diagram, depicting the approximate boundaries of the redevelopment area, the Hunters Point Shipyard, and the Hunters Point submerged lands, is a part of this act:



INSERT HUNTER’S POINT SHIPYARD CONVERSION ACT MAP



SEC. 18. Nothing in this act may be construed to nullify the agency's obligations for increasing, improving, and preserving the community's supply of low- and moderate-income housing imposed by the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code), including, but not limited to, the requirements of Sections 33334.2 and 33413 of the Health and Safety Code.

SEC. 19. Nothing in this act may be construed to authorize the development of housing on public trust land.

SEC. 20. The Legislature finds and declares that, because of the unique circumstances applicable only to the trust lands described in this act, relating to the transfer of the Hunters Point Shipyard out of federal ownership, a statute of general applicability cannot be enacted within the meaning of subdivision (b) of Section 16 of Article IV of the California Constitution. Therefore, this special statute is necessary.

SEC. 21. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district are the result of a program for which legislative authority was requested by that local agency or school district, within the meaning of Section 17556 of the Government Code and Section 6 of Article XIII B of the California Constitution.

